

2009 E-rate Application Cycle and Bandwidth Options

(December 2008)

Many schools and libraries are finding that they have insufficient bandwidth to meet the needs of their staff, students, or library patrons. In relation to the 2009 E-rate application process (for services starting July 1, 2009), the following information provides guidance on options schools and libraries have to increase their bandwidth.

Bandwidth Options and the 2009 E-rate Application Cycle

To apply for E-rate discounts for 2009, some of the bandwidth options below require a school or library to file some or all of the various E-rate forms (470, 471, etc.). The absolute last day to file the Form 470—and have your form open for the required 28 days—is January 15, 2009. However, applicants are encouraged to file the 470 much sooner than this. The Form 471 filing deadline is 10:59 p.m. CST, Thursday, February 12, 2008. The free/reduced lunch and enrollment data, which are needed to complete the 471, are linked on the DPI E-rate Website (<http://dpi.wi.gov/pld/erate.html>).

Bandwidth Options, Points to Consider

Please note the following in relation to the bandwidth options described below.

- While the options apply to both K-12 schools and public libraries, libraries should first contact their library system technology manager if they have bandwidth issues.
- The options below pertain only to procuring more bandwidth. They are not related to the provision of Internet service. Increasing your bandwidth may require your ISP to also increase its cost of Internet service based on your increased usage. Check with your ISP on this issue.
- The first two options below are based on procuring more bandwidth as part of the state's BadgerNet Converged Network (BCN). There are benefits to this. For example, the BCN provides 24x7 support and a very high degree of reliability and scalability. In addition, option 1 does not require you to file any E-rate forms, and option 2 does not require you to file Form 470 or evaluate any bids.
- The third option is based on procuring bandwidth on the open market and is not part of TEACH or the BCN.
- Ultimately the decision on which bandwidth option to select is the responsibility of each school and library.

Bandwidth Option 1: TEACH Discount

This is the traditional TEACH school/library BCN bandwidth subsidy program that has been available since 1996. As of January 1, 2009, the bandwidth available at the TEACH subsidized rate of \$100/month will increase from 1.5Mbps to 3.0Mbps. This increase will be especially helpful for smaller libraries and schools. Any bandwidth increase will still be based on verifiable need. Also, any request for a bandwidth increase must be accompanied by the contract from your ISP for services equal to the amount of bandwidth you want TEACH to subsidize. If you do not have a contract, but do have some type of membership or service agreement, TEACH then needs a statement from your district administrator that you have an agreement with your ISP for the amount of bandwidth you want TEACH to subsidize. For some schools and libraries their TEACH discounted BCN circuit will be sufficient and they will not have to consider one of the other options listed below. See the TEACH website (<http://www.teachwi.state.wi.us>) for more information.

ACTION: Schools with insufficient bandwidth should contact Tara Baxter (608-261-5054, teach@wisconsin.gov) at TEACH to review their bandwidth status.

E-RATE FILING: For this option, TEACH files all E-rate forms.

Bandwidth Option 2: DOA BCN Direct

This option is offered by DOA and AT&T, the prime vendor for the BadgerNet contract. Bandwidth costs for this option are listed below. The costs do not include your E-rate discount.

BadgerNet Converged Network (BCN): Circuit Costs for DOA BCN Direct Option					
Service Description and Circuit Capacity	Monthly Cost	Service Description and Circuit Capacity	Monthly Cost	Service Description and Circuit Capacity	Monthly Cost
WAN: 1-1.5Mbps	\$500	WAN: 15Mbps	\$2,000	WAN - 45 Mbps	\$4,000
WAN: 2-3Mbps	\$900	WAN: 20Mbps	\$2,200	WAN: 5Mbps increments	\$250/per
WAN: 5Mbps	\$1,200	WAN: 25Mbps	\$2,500		
WAN: 10Mbps	\$1,600	WAN: 30Mbps	\$3,300		

Apply your E-rate discount or the TEACH discount (52%), whichever is greater. (See examples in the table below.) If your discount is less than the 52% TEACH discount, then contact TEACH and ask it to include your additional bandwidth when TEACH files its 471. Note: TEACH would like to know this by January 15, 2009, but this is not an absolute requirement. By doing this you will save by having to only pay 48% of the circuit cost and not a higher amount. If your school has greater than the 52% TEACH discount, then using your higher discount will save you more.

Circuit Capacity and BCN Monthly Cost	Monthly cost, 30% E-rate discount	Monthly cost, TEACH 52% discount	Monthly cost, 70% discount
WAN: 3Mbps, \$900	\$630	\$432	\$270
WAN: 10Mbps, \$1,600	\$1,120	\$768	\$480

If you questions on this option and will not use the TEACH 52% discount, contact Mike Mietz, BCN Contract Manager (608-264-9414, mike.mietz@wisconsin.gov). If you want to use the TEACH discount, contact TEACH.

ACTION: Compute your bandwidth cost using the above figures and including any E-rate discount. If this cost is less than the circuit cost for the Open Market option below, then this is likely a good choice for you. The added benefit of this option—vs. the Open Market option—is that you do not need to sign any contract or negotiate with any provider on the cost of the circuit, ongoing support, etc. DOA has already done this as part of the BCN contract.

E-RATE FILING: If you notified TEACH and want to use its 52% discount, TEACH will file all E-rate forms and bill you the 48% non-discounted cost. If you will not be using the TEACH discount, you do not need to file the E-rate Form 470, but you need to file the Form 471 and all other E-rate forms. Cite the DOA Form 470 (#449990000499944) on your 471.

Bandwidth Option 3: Open Market

This third option is procuring bandwidth on the open market. This option is not associated with the TEACH program or the BadgerNet network.

ACTION: Get bandwidth cost quote(s) by directly contacting providers or by responding to any inquires you get from an RFP or a posted Form 470. Then compute your cost including any E-rate discount. If this cost is less than the circuit cost for the TEACH or DOA BCN Direct options—and you are comfortable procuring bandwidth outside of the BCN—then this is likely a good option. With this option a circuit may be provisioned by a non-BCN provider. If you will still have a BCN circuit, you will be responsible for addressing any technical issues associated with having circuits from different providers. With this option you should file the 470 well before the January 15, 2009, deadline.

E-RATE FILING: Schools and libraries must file all E-rate forms. On the Form 470, and in any RFP, be certain to list the maximum speed of the bandwidth you need anticipate needing to cover through June 30, 2010. If you want to consider a multi-year contract, make certain to list the maximum bandwidth you anticipate needing over the life of the contract.

Contacts

If you have any questions on the above bandwidth options, contact the people listed. If you have questions on completing your E-rate forms, contact Bob Bocher (608-266-2127, robert.bocher@dpi.state.wi.us) or Steve Sanders (608-266-3856, stephen.sanders@dpi.state.wi.us) on the DPI staff.